

UNITED STATES DISTRICT COURT
DISTRICT OF NEVADA

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FEDERAL TRADE COMMISSION,

Plaintiff,

v.

CONSUMER DEFENSE LLC, et al.,

Defendants.

Case No. 2: 18-cv-00030-JCM-PAL

**REPORT OF FINDINGS AND
RECOMMENDATION**

This matter is before the court on the corporate defendants' failure to comply with an Order (ECF No. 147) and Order to Show Cause (ECF No. 181).

On November 20, 2018, the court entered an Order (ECF No. 147) granting the motion to withdraw of Christensen & Jensen, P.C. as attorneys for the corporate and individual defendants. The order required corporate defendants Consumer Defense, LLC, Preferred Law, PLLC, American Home Loan Counselors, Consumer Defense Group, LLC, American Home Loans, LLC, AM Property Management, LLC, FMG Partners, LLC, Brown Legal, Inc., and Zinley, LLC ("corporate defendants") to obtain substitute counsel who should file a notice of appearance in accordance with the requirements of the Local Rules of Practice on or before December 20, 2018. The order warned the corporate defendants that their failure to comply may result in sanctions including a recommendation to the district judge that default judgment be entered against them. The corporate defendants failed to obtain substitute counsel and did not request an extension of time in which to comply with the Order (ECF No. 147).

On January 16, 2019, the court entered an Order to Show Cause (ECF No. 181) because the corporate defendants failed to comply with the Order (ECF No. 147). The court directed the corporate defendants to show cause in writing no later than **January 30, 2019**, why sanctions should not be imposed for their failure to comply with the Order. The Order to Show cause


1 provided that obtaining substitute counsel no later than January 30, 2019 would satisfy the court
2 that sanctions were not warranted and no further response to the Order to Show Cause would be
3 required. The Order to Show Cause (ECF No. 181) warned the corporate defendants that failure
4 to respond to the “ may result in a recommendation to the district judge of sanctions up to and
5 including that default sanctions be entered against the corporate defendants.” The corporate
6 defendants failed to file a response to the Order to Show Cause (ECF No. 181), failed to obtain
7 substitute counsel and have not requested an extension of time to comply.

8 The corporate defendants’ willful failure to comply with the court’s Orders is an abusive
9 litigation practice that has interfered with the court’s ability to hear this case, delayed litigation,
10 disrupted the court’s timely management of its docket, wasted judicial resources, and threatened
11 the integrity of the court’s orders and the orderly administration of justice. Sanctions less drastic
12 than default judgment are unavailable because the corporate defendants have willfully refused to
13 comply with multiple court Orders and the Local Rules of Practice.

14 Accordingly,

15 **IT IS RECOMMENDED** that default judgment be entered against corporate defendants
16 Consumer Defense, LLC, Preferred Law, PLLC, American Home Loan Counselors, Consumer
17 Defense Group, LLC, American Home Loans, LLC, AM Property Management, LLC, FMG
18 Partners, LLC, Brown Legal, Inc., and Zinley, LLC for failure to obtain substitute counsel and
19 failure to comply with the Order and Order to Show Cause.

20 DATED this 5th day of February, 2019.

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22 PEGGY A. FEEN
23 UNITED STATES MAGISTRATE JUDGE
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